

# **Ozalism: Successes and Contradictions of Turkish Neoliberalism**

## **Ozalismo: éxitos y contradicciones del neoliberalismo turco**

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## Summary

The article presents the main signs of political, economic and social reforms in the era of Turgut Ozal - a head of economic activity, the Prime Minister and the President of the Republic of Turkey during the 1980s and 1990s. Political ozalism (domestic and foreign policy), economic ozalism, social ozalism. Turgut Ozal 's ideology is a synthesis of technological Westernization and cultural Turkism and Islamism. Many Turkish scholars call his ideology "Turkish-Islamic synthesis" (Atila Eralp et al., 1993). Following the principles of the new ideology, Turkey has embarked on the path of achieving a special position in the international arena that would allow it to participate in global processes. It should be emphasized that Ottoman and Islamic culture was one part of the political course of Ozalism. The second half was economic and political liberalism. Such ambivalence or dualism of views is linked to Turgut Ozal's belief that modernization can only be carried out through liberalization. The Prime Minister of the Republic used economic liberalism to achieve political pluralism. The article outlines the peculiarities of the "Turkish miracle," which occurred as a result of the measures taken to thoroughly revise domestic economic regulation and state intervention in the economy. The essence of them was a significant reorganization, weakening the legal and de facto monopoly of the state over the economy of the country.

**Keywords:** Ozalism, Turgut Ozal, westernization, liberalization, Turkish neoliberalism, Turkish "economic miracle."

## Resumen

El artículo presenta los principales signos de las reformas políticas, económicas y sociales en la era de Turgut Ozal, jefe de la actividad económica, primer ministro y presidente de la República de Turquía durante los años ochenta y noventa. Ocialismo político (política interior y exterior), ozalismo económico, ozalismo social. La ideología de Turgut Ozal es una síntesis de la occidentalización tecnológica y el turquismo cultural y el islamismo. Muchos eruditos turcos llaman a su ideología "síntesis turco-islámica" (Atila Eralp et al., 1993). Siguiendo los principios de la nueva ideología, Turquía se ha embarcado en el camino de lograr una posición especial en la arena internacional que le permita participar en los procesos globales. Debe enfatizarse que la cultura otomana e islámica fue una parte del curso político del Ozalismo. La segunda mitad fue el liberalismo económico y político. Esa ambivalencia o dualismo de puntos de vista está vinculada a la creencia de Turgut Ozal de que la modernización solo puede llevarse a cabo mediante la liberalización. El Primer Ministro de la República utilizó el liberalismo económico para lograr el pluralismo político. El artículo describe las peculiaridades del "milagro turco", que ocurrió como resultado de las medidas tomadas para revisar a fondo la regulación económica nacional y la intervención estatal en la economía. La esencia de ellos fue una reorganización significativa, debilitando el monopolio legal y de facto del estado sobre la economía del país.

**Palabras clave:** Ozalismo, Turgut Ozal, occidentalización, liberalización, neoliberalismo turco, "milagro económico" turco.

## Introduction

Ozalism is the political course of one of the leaders of Turkey, who held the post of Deputy Prime Minister (1979 - 1983), Prime Minister (1983 - 1989), President of the Republic (1990 - 1993) in the 1980s, the course of Turgut Ozal. The ideological basis of the policy of Ozalism: democratic, western, Muslim and Turkish. He wanted to create an industrial society in agrarian Turkey and embarked on a program of economic liberalization, created in some ways on the model of the programs of Ronald Reagan and Margaret Thatcher. The characteristics of the "Turkish miracle" were the orientation of the economy towards exports, its opening to foreign investment and international competition, which helped to overcome crisis trends and contributed not only to the

significant growth of economic indicators, but also to the development of new sectors in the economy (for example, tourism). The Princeton University professor Bernard Lewis called Turgut Ozal "the second great founder of the Republic of Turkey whose achievements are comparable to those of Atatürk."

After the military coup in 1980, Turgut Ozal was appointed as the head of economic activity, imbued with the spirit of liberal-economic reforms of the previous government of Suleiman Demirel, as Deputy Prime Minister for Economic Affairs.

In only a few years, the country began to show a record rate of economic growth. In the second half of the 1980s, there was an increase in the share of foreign investment and private sector investment. There is a phenomenon of economic transformation from a mixed economy dominated by the public sector to an open economy capable of accepting any innovation.

## **Methods**

The history of the Republic of Turkey identifies several periods of development, each of which simultaneously reveals common and recurring phenomena (the political crisis following the military regime after the military coup; adoption of the new Constitution) and qualitatively excellent historical facts (the new nature of the internal party struggle, opposite to the previous articles and laws, changes in the direction of the foreign policy). An analogy of the economic systems of the United States, the countries of Western Europe (especially Germany, Great Britain), the states of the Near and Middle East has been carried out.

The establishment and strengthening of these institutions took considerable time. The methods used by the Turgut Ozal government during the years of liberalization and innovation fully paid off later.

Turkish liberalism of the 1980s became a meta-institute that helped to select suitable forms from the proposed "menu" of all kinds of development strategies of the Republic of Turkey

## **Results and Discussion**

According to the Turgut Ozal concept, the revival of Islam was a priority in the unification of Turkey with the rest of Europe and the Western system as a whole, because the Turkish interpretation of Islam differed from the Iranian or Arab. He argued that the Turkish Islamic direction could ensure peace between Muslims and members of other faiths, since religion and progress go hand in hand (Nicole and Hugh Pope Turkey Unveiled, 1997). As a Western and a true Muslim, Turgut Ozal combined his understanding of Islam and Westernization: "I am convinced that Turkey has never denied secularism. In this context, one can turn to Al-Ghazali 's philosophy of rational and irrational. The Turks know that faith in itself does not affect secularism, but do not separate it from the field of rational. At the present stage, there is essentially no distinction in this understanding between a Christian European and a Turkish Muslim. For example, Turkish Islam is a synthesis of Western Christian culture, Eastern Islamic culture, and a synthesis of aspects of universal humanism. In other words, Turkish Islam is defined as secularism Islam based on the concept of brotherhood and mankind" (Ozal, 1988).

According to Turgut Ozal, the people of Turkey should not be ashamed of their history, as it was not lower than any other: "The Turks inhabited this territory for thousands of years, inherited the culture of many people, who were a part of the inhabitants of the region. A synthesis of the cultural heritage of Anatolia, Central Asia, the Muslim religion, and the Muslim world was carried out. And the feature of the Turkish mentality allowed to harmoniously combining all these elements " (Ataturk, 1966). In addition to the distinctive understanding of civilization, Turgut Ozal, contrary to the West's skepticism of Kemalism, believed that Turkey could solve its problems only through integration with the West and the world economy. If Turkey managed to enter the EU, it would prevent any risk of war. "As founding members of the EU, we endorse integration above all to eliminate any possibility of war between nation states. Turkey, like all European countries, suffered from wars" (Ataturk, 1966).

For the Ozalism, Turkey's past (Ottomanism) was one of the most important advantages in integration with the West. While Atatürk in Ottoman heritage saw the source of problems in the region, Ozal argued that Turkey could solve regional problems by appealing to the Ottoman past, that Turkish heritage provided Turkey with a great power to govern the region, that "Turkey cannot be held hostage to a treaty on national borders." For example, the only solution to the Kurdish problem and other issues in the Middle East is to create a federation between Turkey, Syria, and Iraq. According to Ozal, the political and cultural system of the Ottoman Empire could be an excellent model of Turkey's development during the twentieth century. Thus, the proposed state system, the organization of the activities of the Government, the presidential system, was created under the influence of the Ottoman past.

Turkism of the policy of the Ozalism was neither irredentist as Turkism of Anwar Pasha, nor isolationist as Turkism of Mustafa Kemal (Atatürk, 1966). For Ottoman Turkism, the final goal was the Turkish Empire, which dominates all Turkish tribes living inside and outside the country. Atatürk also developed isolationist Turkism, which sees the outside world as a potential danger to the Anatolian Turks. Consequently, Turkey had no interest in Turks living outside the state and accordingly did not support them in the fight against power. On the contrary, for the Turkism of Ozal, this was an important element in the development of Turkish society and Turkish foreign policy, especially after the cold war, when a new world order was established with new signs - economic alignment and solidarity between countries.

Thus, Turgut Ozal viewed Turkism as one of the cornerstone of Turkish modernization and transformation of Turkish foreign policy without territorial nationalism and irredentism. The essence of Turkism of the age studied was expressed in the desire for economic and cultural dominance of the Turks, but not on the development of territorial expansion. It was a search for harmonious interaction between different national and political groups within a wide Turkish space. The Turkism of the period of Ozalism may be equated with Americanism in the United States.

Turgut Ozal connected previous Turkism, Ottomanism, conservatism and liberalism and transformed into a new kind of Ottomanism, or as they say today - into Ozalism.,

Turgut Ozal became a fan of the American political, cultural, and economic system. His dream was to transform Turkey into another America - a role model. It can be argued that the ideology of the Turkish figure included American atheism, American democracy, American capitalism, and American liberalism. Comparing the American and Turkish system, Turgut Ozal argued that Turkey still had a system close to communism and bureaucracy. In his view, the Kemalist principle of Etatism was one of the reasons for the fall of the Turkish economy. He also argued that protectionism made Turkish industry ineffective, uncompetitive and expensive. Moreover, there was a very close link between economic liberalism and democratization in the prospects of Ozalism. Particular importance was attached to personal rights, as opposed to Kemalism, which exercised full control of the State. In 1979 Turgut Ozal said: "A strong state does not mean a patriarchal state. The goal is not the wealth of the state, but the wealth of the nation. If people are rich, it means that the state is rich. In the spheres of economy and politics, the state should not compete with people, it should support them. People are not servants of the State, but the State must be servants of society" (Metin Sever and Cem Dizdar, 1993).

One of the main postulates of Ozalism with its Turkism and Islamism was American-type democracy and liberalism. According to the Turkish leader, all these principles were completely compatible, not contradictory.

Commenting on the actions of Ozalism, Turkish journalist, expert on the Middle East, Jengiz Chandar called Turgut Ozal an anti-state man (despite the fact that he served as prime minister and then president): "He was against almost all the principles of the regime under which the state dominates. During his presidency, he opposed the state, and when he died, he was buried in a non-state cemetery. Now he lies near with those who were hanged by the state like Adnan

Menderes" (Interview with Cengiz Çandar in Metin Sever and Cem Dizdar, 1993). Jengiz Chandar claims that Ozal was a representative of anti-kemists and opponents of the regime, attacking almost all the principles of Kemalism - atheism, etatism, nationalism, populism. His perceptions of civilization were completely different from those of Kemalism centered in the West. Mustafa Kemal dreamed of a secular Western society created according to the European model. Turgut Ozal's dream was to create a Muslim, democratic, liberal, capitalist society with different cultural linguistic and religious aspects, as well as with the principles of a secular state that respects cultural and religious differences (The criticism of Kemalism by T.Ohall has two theoretical provisions).

Turgut Ozal opposed the Kemalist interpretation of atheism and opposed Arab Islamism. He argued that Turkey needed Anglo-Saxon secularism and a Turkish interpretation of Islam, which was much more tolerant of other religious destinations and more moderate than French and Soviet atheism. His Islam was different from Kemalist Islam (Imamutdinova et al., 2019). Jengiz Chandar explained the differences as follows: "Republican secularism was inspired by French and Soviet atheism, so in the 1920s Republican Laicism turned into atheism. In a short time, Kemalist laicism was associated with the concepts of "antireligia" and "anti-Islam." When Turkish Islam, introduced into Ottoman and Seljuk Islamic culture, was suppressed by the state, Arab Islam, less moderate but more radical, took a leading position in the world. At the present stage, having visited Turkish communities in the Balkans, Bosnia, Kosovo, Central Asia, Azerbaijan, Kazakhstan there is a completely different Islam from the Arab version - Turkish. It is a more moderate Islam that is suited to pursuing policies of liberalism and democracy. Turkish Islam is very different. The followers of Kemalism cannot recognize that the country needs religion, because their ideology was imported and did not correspond to modern Turkish culture. We must recognize that Turkey is a Muslim country" (Interview with Cengiz Çandar in Metin Sezer and Cem Dizdar, 1993).

In other words, there was "Turkish-Islamic synthesis," which became the guiding principle of the policy of Ozalism. "Turkish society shared a deep sense of justice, monotheism and faith in the immortality of the soul, as well as, put a strong emphasis on family life and ethics" (Moiseyev, 1994). Turkish Islam is therefore more tolerant, more liberal and more democratic than another interpretation of Islam. The new movement was supported by part of the intelligentsia, and then it expanded its base at the expense of Muslims from a variety of backgrounds and classes. This movement became more favored by Arab countries, which had previously feared Pantürkism both nationally and religiously. Turkish-Islamic Synthesis has created a basis for possible joint actions of pro-Islamic public and even state organizations (Kireev, 1997).

So, the Turks sort of remembered that they were Muslims; Slowly but steadily went the Islamic Renaissance process. In the 1980s, various sects and Sufi orders (nakshbendi, nurju, suleimanji, etc.) became widespread. With Turgut Ozal 's assumption of the presidency, Islamists achieved the lifting of the ban on female students wearing Muslim headgear, and set a new goal - to pray in Sofia Cathedral, the oldest church of Christians, transformed in 1934 by Atatürk into a museum.

The religious issue was very important and sensitive in socio-economic policy. Turgut Ozal covered up his own religious activities with the state umbrella, which provided the prime minister with brilliant prestige in the Islamic world. He initiated the introduction of the so-called "soft Islam in Turkish" (Milliyet, 1994).

## Summary

Turgut Ozal 's dualism as a person and a politician, his contradictory nature was evident in the political decisions he made. He was a devout Muslim and a supporter of the secular path of state development, a fan of the traditions of East and West, urging citizens to turn to historical roots and cultivating the American way of life, "he loved reading the Quran and watching soap operas, praying on a carpet in a Sufi mosque and cooking Texas barbecues." This is what Turgut Ozal looks like on the pages of Western media. The image they have created is quite objective and

adequate. His presentation took place along the path of visualizing his views and actions, contributing to the growth of his authority in the eyes of the world public.

During the 1980s, the Republic of Turkey restructured its domestic policy, resulting in significant changes in the socio-economic as well as political spheres. The activities of the civil government of Turgut Ozal were aimed at creating a strong national economy and included the promotion of the private sector, the development of trade and economic relations with both developed countries and countries of the Arab world.

Obviously, one of the main tasks of Ozalism was to create a Turkey that would be a worthy competitor to Western powers. At the same time, it need support from the West.

## Conclusions

Ozalism forms the basis of the socio-economic and political development of Turkey in the 1980s and 1990s. The Turkish government has taken a course to implement fundamental changes affecting such areas of state life as production (light and heavy industry), agriculture, tax system, and investment policy, banking system, education and health care, pension system, youth policy, religious issue, Kurdish issue, national policy, demographic policy.

In Turkey's economic theory and practice, a new stage of social development has begun since 1980, now called Ozalism, the end result of which is that in the future the economy of the country has increasingly integrated into the system of world economic ties.

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